agricultural SITUATION

the crop reporters magazine

U.S. Department of Agriculture Statistical Reporting Service April 1972

FERTILIZERS: WHAT'S AHEAD?

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With the Nation's farmers reportedly going to cut their spring plantings of wheat, corn, and other feed grains, fertilizer use this season may barely match the 35 million tons applied to farm fields in 1970/71.

The size of the corn crop will be critical in determining just how close use will come to last year's. Corn receives well over 40 percent of all plant nutrients used in farming.

As of January, farmers planned a 4-percent cutback in their corn acreage. Such a reduction, if carried out, would surely subtract from nutrient use—even though the crops replacing corn will require some fertilizer and it's logical to expect the average rate of application on the planted corn acreage to gain somewhat.

Spring wheat plantings, too, seem slated to decline—about 3 percent for durum and 8 percent for other spring wheat. (Total wheat acreage for harvest in 1972 is up 4 percent, however, because of the 9-percent rise in winter wheat plantings last fall.) Wheat usually ranks No. 2 in farm fertilizer use because of its extensive planted acreage.

Of the major fertilizer users, only cotton seems headed for bigger plantings this spring than last. The January intentions report indicated the rise could be about 7 percent.

USDA's Economic Research Service recently analyzed changes in use of the three primary plant nutrient elements—nitrogen, phosphorus, and potassium—on America's corn, wheat, cotton, and soybean crops. Soybeans were included because they may be one of the fastest expanding outlets for fertilizers—although use is still small in comparison with the other three.

The ERS analyses were based on data gathered since 1964 in SRS' objective yield surveys. Only the principal producing States that harvest 90 percent or more of the acreage of each crop are included in these yield surveys conducted annually.

Here is a rundown of the ERS findings:

Corn: In 1971 farmers applied more than twice as much fertilizer to their corn fields as in 1964. Big factors in the upsurge were the relative price tags of corn and plant nutrients during that time. Important, too, was the adoption of a whole new technology package by corn growers—a package that is credited with bringing about a 33-percent hike in average yields during the period.

An integral part of the new production scheme was the use of more fertilizer on more corn acres.

Rates of fertilizer application on corn are markedly higher than a few years back. SRS surveys showed farmers putting on an average of 187 pounds of nutrients (elemental basis) per fertilized acre in 1971, up nearly 80 percent from 1964. Poundages of nitrogen and potassium per acre each gained more than 80 percent while phosphorus applications were half again as heavy as in 1964.

Furthermore, 94 percent of the corn fields surveyed by SRS last year were being fertilized, compared with only 85 percent in 1964.

ERS researchers also detected a move toward earlier fertilizer applications on corn between 1964 and 1971. In the earlier year, fertilizer was applied at or before seeding to only 54 percent of the fertilized fields. Last year, 68 percent were treated at or before seeding.

The economists credit the shift to three factors:

—Agronomists are recommending fall or early spring applications and farmers are following this advice.

—Corn acreage per farm is increasing while available labor is decreasing, making it hard to apply large amounts of fertilizer during the short planting season. The task is almost impossible if bad weather sets in.

—Narrow rows make sidedress application without root pruning more difficult on contoured fields and on corn over 12 inches tall.

Wheat: Acreage cutbacks have subtracted about 17 percent from the total 664,000 tons of fertilizer applied to the Nation's wheat fields in 1964. If it weren't for the smaller p'antings, use might have been up in 1971 since wheat farmers are gradually stepping up both the extent and rate of application.

Though they still lack the commercial hybrid strains that allow corn growers to make maximum use of fertilizer, wheat producers are now applying nutrients to about 60 percent of their plantings in contrast to 50 percent a few years back. Rates of application averaged 85 pounds an acre in 1971, representing a 30-pound boost since 1964.

Cotton: Cotton is the Nation's No. 3 fertilizer user, largely by dint of the heavy rates of application. The average level was 146 pounds per fertilized acre last year, up from 122 pounds in 1964. However, fertilized acreage during the period had dropped slightly, standing at 75 percent of the total harvested in 1971, compared with 78 percent in 1964.

Acreage restraints and diversion programs have spelled a sharp drop in total nutrient use on cotton since 1964. Harvested acreage shrank 14 percent during 1964–71—resulting in a sizable cutback from the 650,000 tons of nutrients applied at the start of the period.

Soybeans: Fertilizer use on this oilseed crop was minor, at most, in 1964 when the total applied came to only 160,000 tons. Since then, however, use has gained dramatically with farmers putting 197 percent more nutrient elements on their fields in 1971 than in 1964.

Not only was harvested soybean acreage a third higher last year than 7 years earlier, the proportion of the acreage being fertilized had risen from 13 to 28 percent. Application rates showed gains, too—going from 58 pounds per fertilized acre to 72 pounds in 1971, a 24-percent boost.

The soybean crop is gaining ground rapidly as a major outlet for plant nutrients (especially phosphorus and potash), even though agronomists are still debating whether soybeans respond more to direct fertilization or to residual fertility applied to the previous year's crop.

Apparently farmers aren't going to miss any bets while waiting for the specialists to decide.

THE NOW AND FUTURE LIQUID FERTILIZER

A whirling centrifuge in the 1960's sliced the costs of synthesizing anhydrous ammonia in half, changing the course of its marketing. Anhydrous ammonia is a major nitrogen fertilizer, a compound made by compressing nitrogen from the air with hydrogen from natural gas. The chemicals industry used to dominate production but has been largely displaced by petroleum and gas firms.

With centrifugal compressors—far speedier than the piston-type used in the 1940's and 1950's—output of anhydrous ammonia spurted so rapidly it was being turned out in greater quantities than growers and industry could use. The result, until recently, was bargain basement prices.

Here is a sketchy profile of the anhydrous ammonia industry—how it has changed in recent years, what it's apt to become in the future.

One hundred ammonia plants now dot the landscape across 34 States, up from 58 plants at the start of the 1960's. Most plants are concentrated in the major farming regions and in coastal Texas and Louisiana.

Hand in hand with the 72-percent growth in plant numbers during the decade went a steady advance in average plant size. In 1960 ammonia plants averaged 262 tons daily capacity; in 1965, 337 tons; in 1970, 529 tons.

Total productive capacity of the ammonia industry (averaging a 350-day work year) zipped from 5.3 million tons to over 18.5 million in 1960–70.

Large plants—those producing over 300,000 tons annually—now have a much bigger portion of total industry capacity than in 1960. Their 1970 share totaled more than 43 percent, up from 13.5 percent.

Specialists project that although total plant numbers are apt to advance by 1975, the pace will slacken. And with fewer new plants being built, capacity also will expand more gradually.

The specialists look for 106 plants in operation in 1975—a rise of only 6 percent in the 1970–75 period.

The projections also point to fewer plants with capacities of less than 100,000 tons annually and more with capacities over 400,000 tons.

The price picture for anhydrous ammonia also is changing. During much of the 1960's, prices were depressed because of a surplus.

In 1971, for the first time in 10 years, farmers paid more for anhydrous ammonia than they had the year before. At an average of $79.30 per ton on April 15, the farm price was 6 percent higher than on the same date in 1970.

Prices can be expected to advance further in the years ahead as agricultural demand for ammonia catches up with supply.

SAMPLE SURVEYS

Ever wonder how SRS selects a sample of farms—maybe yours—to represent agricultural activity for a State, region, or the country?

The sample, along with information from voluntary crop reporters, will be the basis for estimates on everything from crop production to grain supplies, livestock numbers to farm labor.

Charles Caudill, former head of SRS' Methods Staff and now Statistician in Charge of SRS in Texas, was our answer man on the subject.

"It all begins with the June enumerative survey," Caudill told us. "This is our base survey. We visit all the farms inside scientifically selected land segments and ask about planted acreage, farm wages, livestock, and a number of other farming questions.

"We also ask permission from some farmers to lay out small plots in corn, cotton, wheat, and soybean fields for observations during the growing season. This is part of our objective yield survey.

"The idea behind the enumerative survey is to account for all farming in our selected segments since they represent agriculture in much wider areas," Caudill noted.

He added, "Many of the farmers operating land inside the segments will also get special questionnaires for other surveys. It is possible for a farmer to be involved in as many as 23 surveys during a year when his segment is used, though unlikely."

The June enumerative survey is based on what statisticians call an "area frame sampling" technique.

SRS, through the help of other USDA agencies, has access to a virtually complete set of aerial photographs of the United States. Only Hawaii and Alaska are not in the program. Maps of each State are divided into count units, the first step on the way to interviewing a farmer.

The count units are broken into as many as 20 segments depending on the area of the country—fewer in the

West, more in the South. Each segment is about 500 acres.

Caudill went on to explain, "We pick at random somewhere between 250 and 1,000 of these segments per State. If you live or operate land in a segment, whether you're a farmer or not, you will be contacted. We are basically interested in knowing what's happening in agriculture in these land areas and to find out we'll interview 125,000 people in the June survey."

In the Midwest, half the segments are changed each year because most farms are fairly similar. In the South where farmers grow a greater variety of crops, only one-fifth are changed each year.

"We would like to rotate the segments more frequently but it just isn't economically feasible," Caudill said. "It costs around $12 in labor to prepare a new segment. Multiply that by the over 16,200 segments in the June survey and you have quite a bill. We just can't afford to spend some $200,000 every year on this aspect of our survey.

"We hope to be able to rotate the segments in the South a little more often. We are just trying to save money and at the same time get good data for the estimates."

Caudill reassured farmers that, "After a segment has been in a survey for 2 to 5 years, it won't be in again more than likely."

SPOTLIGHT ON ARKANSAS

"We have two miracle crops here in Arkansas. One's a bean. The other's a bird," remarked Roy D. Bass, statistician in charge for SRS in Little Rock, in an interview recently.

"Soybeans and broilers do deserve special mention because they are the fastest expanding farm products in the Land of Opportunity."

"Take 1970 (the last year for which complete livestock data are available) as an example. That year soybeans and broilers each earned about a fifth of Arkansas farmers' gross income. Back in 1950, broilers earned somewhat over 8 percent and soybeans less than 5 percent," noted Bass.

"Soybeans got going about 25 years ago," added Bass. "In 1949 about 300,000 acres were harvested. Then we picked up steam, harvesting about 1.2 million acres by 1955 and 2.4 million by 1960. Last year farmers harvested an estimated 4.3 million acres."

The 1971 soybean crop is estimated at 91.7 million bushels, making Arkansas the No. 5 soybean producer in the Nation. The value of last year's crop totaled $275 million--about 45 percent more than the State's next most valuable crop, cotton.

"Cotton is no longer what it once was down here," said Bass. "In 1949, when cotton was still grown in many of the State's hilly areas, it earned 57 percent of gross cash receipts. By 1970 cotton brought in 12 percent, excluding government payments. Production is now pretty much confined to flatlands along the Mississippi, where mechanization is practical."

Arkansas now ranks as the Nation's No. 3 cotton State. It produced over 1 million bales of cotton in 1970 and over 1.2 million in 1971—cotton lint values, respectively, $117 and $161 million.

After cotton, rice ranks fifth in earnings to Arkansas farmers. Last year the State was edged out of the No. 1 production spot by Texas. Still, the 21.8 million hundredweight produced was worth almost $118 million.

Arkansas' crop farming lies mostly in the eastern part of the State, near the Mississippi River. Much additional land has been cleared or drained in this area. In fact, Arkansas is one of the few States to register a gain in farmland since the start of the 1960's.

The central and western counties are mostly hilly or mountainous. Farming there is mostly related to livestock and poultry enterprises.

"Poultry means growth in this State," said Bass. "Just look at our record on broilers, eggs, turkeys."

Arkansas emerged as the Nation's No. 1 broiler producer in 1970 and weekly chick placement reports indicate that lead was maintained for 1971.

Production figures illustrate the broiler growth most dramatically. In 1950 the State turned out somewhat less than 50 million birds. Production totaled almost 453 million birds in 1970. In fact, during 1970 Arkansas turned out 9 percent more broilers than the year before.

Farm income from the broiler business also expanded dramatically over the past 20 years. It rose from 1950's

almost $37 million and 1960's $91 million to 1970's $200-plus million. Broiler production now holds the second spot for gross farm income in Arkansas.

Eggs have shared the growth spotlight. In 1950 Arkansas' chickens laid 726 million eggs, worth almost $20 million. In 1970 production stood at almost 3.5 billion eggs, worth over $101 million in cash receipts. The State ranked No. 4 nationally in egg production in 1970, compared with No. 23 in 1950.

In 1970, Arkansas farmers sold 7.4 million turkeys, compared with 493,000 in 1950. They earned farmers almost $34 million in 1970, compared with $2.7 million two decades earlier. Over that period, Arkansas rose from No. 28 to No. 6 turkey State.

Cattle and calves earned over $161 million in 1970, exceeded only by soybeans and broilers. Relatively few cattle are finished out for slaughter within the State; most find their way to out-of-State feedlots.

Some members of our No. 1 broiler flock fatten themselves for the frying pans and rotisseries of the Nation.

Soybeans have replaced cotton as the new king in Arkansas. The crop earned about a fifth of farmers' gross income in 1970 about the same share as broilers. Here soybeans are harvested in the eastern part of the State.

SRS publishes some 600 reports annually covering virtually all points of the agricultural compass: planted and harvested acreage . . . yield, production stock, value, and utilization of crops . . . number, production, and value of livestock and poultry . . . prices received and paid by farmers . . . farm employment and wages . . . number of farms and land in farms.

The list goes on to include estimates on 150 crop and 50 livestock topics.

Dr. Harry C. Trelogan, Administrator of SRS, recently talked with us about some of the ways his agency's numbers are used.

"Our data affect a lot of people because they are the basis for so many production and marketing plans. Additionally, they're used by USDA people for decisions on policies and programs," Dr. Trelogan stated.

He added, "We publish estimates gauging farm activity at different points along the assembly line. Judgments made from this information will shape domestic supplies and prices and foreign trade."

He noted, for example, that SRS reports are important in current discussions concerning the large wheat and feed grain supplies. Any USDA recommendations for altering the situation would be framed with SRS estimates. "Our work doesn't stop there. Later estimates will reflect how farmers' production plans were influenced."

Some farm groups contend that the data are undesirable and reports should cease altogether.

The argument is that estimates hurt prices for producers by providing marketers an unfair advantage at the bargaining table.

The critics contend if production information were not made public, prices would be stronger in times of increasing output. These few farmers feel they can get timely crop, price, and stock data elsewhere.

"All I have to say to them," remarked Trelogan, "is that this work was started because farmers felt that marketing people enjoyed a natural advantage in gaining supply information. Marketers are located in places where they can observe the quantity and quality of farm products coming to market."

Trelogan added, "It's also part of the buyer's occupation to keep current with trade news, with other marketing

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people, with bankers, with market analysts, and others who make it their business to keep up with markets. Growers have comparatively little time for acquiring this specialized marketing intelligence."

"Often overlooked is the fact that accurate, widely known information reflects back to producers in the long run."

"If a marketer incurs a risk because information is vague, the risk passes to the farmer as lower prices. The greater risk, the greater margin needed to cover costs. The less risk, the less margin and the higher price the farmer is likely to receive."

SRS reports also are used to synchronize the gears of the marketing machine. Knowing farmers' planting intentions helps bankers and other farm lenders plan ahead on financing. Knowing the size of the grain crop or broiler or livestock production helps truckers, railroad men, handlers, storage operators, and slaughterhouses allocate their resources. Advertisers know when and where to promote farm products coming to market.

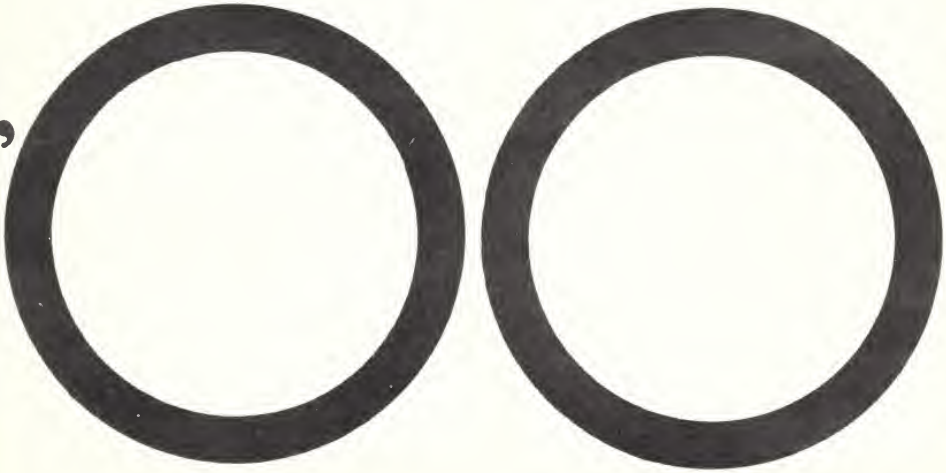
"Farmers also get direct use out of SRS reports," explained Trelogan. "Most farmers use such estimates as stocks and yields to help plan acreage for the coming season."

"The present oversupply of wheat and corn forces farmers to consider 'Should we cut back to make a better profit?' January intention reports indicate that corn acres will be down 4 percent from 1971 but that soybeans—where stocks are low and demand is high—could enjoy a planting increase of 4 percent."

"It is also vital for cattle producers to know what supplies of feed grains are available and it is important for commercial broiler growers to know how many eggs are incubating."

In today's farming, which becomes more complex as farms specialize more, SRS numbers will find increasing use among producers, Trelogan noted. One reason: Transportation and communications have shrunk the length and breadth of the Nation to the extent where farmers need a national view of commodities.

"Such grasp of the agricultural chain," he explained, "will enable farmers to increase the precision of their production planning and to boost their potential for profit."



EATING OUT: THE $35 BILLION PLATTER

Consumer spending for food and beverages away from home—snacks, school lunches, restaurant dinners, hospital meals, military fare, and the like—amounted to $35 billion in 1969, about one-third of the Nation's food bill that year. The cost to food service operators was $16 billion.

Dairy products and vegetables each equalled almost a fifth of the 37 billion pounds of food eaten away from home in 1969. Five other groups each accounted for 5 to 10 percent of the poundage: bakery products, beef, beverages other than milk, sugar and sweets, and poultry and eggs.

Among individual food items, fresh whole milk, ground beef, whole white potatoes (unpeeled), cola drinks, and hamburger buns accounted for at least 1 billion pounds each in 1969.

Based on dollar value of retail purchases, beef was foremost in the away-from-home market and accounted for 22 percent of the cost of food purchases. Next were dairy products at 12 percent; meats other than beef, 10 percent; vegetables, 9 percent; and bakery products, 9 percent.

The away-from-home market takes in about half a million public and institutional mass feeding outlets.

In 1969 the public businesses, which sell their products and services for profit, accounted for some $24 billion or 70 percent of the value of all food consumed away from home.

These enterprises included more than 200,000 separate eating places accounting for over $16.4 billion in retail value of food; over 50,000 separate drinking places with food sales of $1.2 billion; and hotels, motels, and tourist courts taking in $1.6 billion.

Other public establishments—running the gamut from amusement parks to factories—served up about $4.8 billion worth of food items.

The institutional sector served almost $10.5 billion worth of food in 1969. The largest category of nonprofit organizations were schools and colleges. They numbered 79,000 and served some $4.6 billion worth of food.

The military accounted for 30 percent of the retail value of food and beverages served by establishments in the institutional sector, next were hospitals.

FOOD USE, 1971

On average, each of us munched along at a record clip last year, eating 1 percent more food than in 1970. Biggest gains were in red meat and in fruit—each up 3 percent.

We also ate slightly more potatoes, vegetable oils, cereal products, eggs, and poultry but nearly balanced these gains with small cuts in vegetables, coffee, fish, animal fats, melons, and the dry beans-dry peas and nuts group.

Almost all the gain in use of red meat—total per capita consumption was 192 pounds—was in pork. Our beef intake stayed on a par with 1970. A dropoff in use of veal and lamb about offset additional portions of edible meat byproducts.

Our enhanced appetite for most fruit boosted use nearly 2 pounds to 136, with much of the gain in processed forms.

Finding vegetables less plentiful than in 1970, we cut back our eating 1 percent. Most of the fall-off was in fresh items since we took the same amount of processed vegetables.

Our continued enthusiasm for processed potatoes showed up in a 2-percent gain for the potato-sweetpotato group. Personal use of processed potatoes had risen faster than for any other major food in recent years.

MARCH OF STARCH

Their taste, their relatively low cost per serving, and their ease of preparation all help win starchy foods a prominent place on U.S. tables.

That was a finding of a nationwide survey conducted by SRS' Special Surveys Branch. The survey covered consumer preferences and buying practices for selected potato, rice, and wheat products.

Almost all homemakers interviewed, in fact 96 percent of them, said they had served white potatoes in the month before the survey. About two-fifths generally served potatoes three to five times a week, while slightly over a third were light users, having them two or less times a week.

While the homemakers generally felt potatoes were fattening, they also thought them tasty and high in food value.

French fries were voted the most fattening form of potatoes with mashed second. Nevertheless, potatoes were served mashed more than any other way asked about.

While processed potato products did not rank as high for flavor with the homemakers as fresh potatoes, they were generally considered easier and quicker to prepare. Frozen french fries were bought by the most homemakers; instant mashed potatoes came in second.

Homemakers thought rice not quite as fattening as potatoes, bread, or macaroni products. During the year before the interview, 87 percent of the homemakers served some form of rice.

Regular uncooked rice was preferred by more than half the rice users while instant rice was preferred by a quarter and parboiled and converted rice favored by about a tenth.

Regular uncooked rice scored because of taste, fluffiness, and price. Instant and parboiled rices were thought quicker to prepare.

Approximately 1 in 10 homemakers reported serving brown rice or wild rice in the year prior to the interview. Wild rice was served infrequently, and 2 out of 10 who had used it said they tried it but wouldn't use it again, mainly because they didn't like the taste or thought it too expensive.

Practically all homemakers reported putting white bread on the table in the previous year. Though the consensus was that white bread was fattening, 7 out of 10 homemakers thought it a necessary food.

About four-fifths of the interviewees also had used rolls, muffins, or biscuits in the preceding year, though only about a third had ever used frozen bread dough.

Almost 7 out of 10 homemakers usually added bread to a meal where there was rice or potatoes. The most frequent reasons given by the ones who didn't serve bread along with other starches were that such meals were too fattening or filling.

Macaroni products often made it to the center of the table as the main dish.

Spaghetti, served by 8 out of 10 homemakers within the previous year, was served as a main dish by 86 percent of the users. Macaroni and egg noodles were featured by over half the homemakers who used them. Homemakers considered macaroni products fattening but inexpensive per serving.

ag outlook

Digested from outlook reports of the Economic Research Service.
Forecasts based on information available through February 1, 1971

GROSS FARM INCOME . . . could top last year's total by as much as $3 to $3½ billion . . . Strong consumer demand for livestock products and smaller supplies of some crops should boost cash receipts. Government payments also are being stepped-up.

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FARM PRODUCTION EXPENSE . . . Phase II programs could soften possible rises in farm costs, despite a good share of control-exempt items. The investment tax credit and more loan funds at low interest could encourage a pick-up in unit sales of some major farm equipment items. With both farm and nonfarm input prices tempered, expenses promise to rise less than last year.

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REALIZED NET FARM INCOME . . . With gains in gross income apt to more than offset cost advances, farmers' 1972 net income should rise $1½ to $2 billion above last year's $15.7 billion.

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FARM EXPORTS . . . The view for the fiscal year ending June 30, 1972, is clouded by shipping difficulties and the international money situation. Large foreign supplies of grains and short supplies—and higher prices—of U.S. cotton and soybeans, could mean some retrenching from the 1970/71 record $7.8 billion export total.

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WHEATOVER . . . With a record 1971 wheat crop and big drop in exports because of shipping troubles and large supplies abroad, growers face a sharply higher carryover this summer. It could come to 970 million bushels, up from 730 million at the start of the marketing year.

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LOAN PROGRAM . . . With white wheat exports bottled up by the dock strike, farm prices weakened and farmers resorted to heavy use of the loan program in the first half of 1971/72. By December, a third of the Pacific Northwest was under loan.

WHEAT PLANTINGS . . . Farmers' intentions as of January 1 to cut back their 1972 spring wheat acreage 7% are still overshadowed by their 9% boost in winter wheat seedings last fall. The two add up to a 4% gain in 1972 acreage.

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WHEAT SET-ASIDE . . . To stem excess wheat production, on January 10 USDA put a voluntary set-aside provision into the 1972 program. Growers now can opt to set aside 75% of their domestic allotment in addition to the required set-aside. They'll be paid 94 cents a bushel times the yields times the set-aside acreage. The goal is to get an extra 5 to 6 million acres out of wheat production.

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SUBSTITUTING SOYBEANS . . . Now that corn and sorghum growers can earn higher payments if they set aside more than 25% of their feed grain base, soybean acreage in 1972 may be up even more than the 4% indicated in January. At that time farmers planned to seed 45 million acres to soybeans, short of the USDA goal of 48 million announced earlier.

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SOYBEANS '72 . . . Even without added grain set-aside incentives, if January intentions pan out and yields are near recent levels, 1972/73 soybean supplies would be about 1.3 billion bushels, slightly above the level of the current year.

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SOYBEAN USE . . . Tight supplies are holding use to 1.2 billion bushels this marketing year, about 4 percent below 1970/71 but still a shade ahead of 1971 output. It makes 3 straight years of use exceeding production. This is likely to draw carryover next September down to minimum operating levels—some 70 million bushels, compared with nearly 100 million last September.

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SOYBEAN PRICES . . . Farm prices for 1971-crop beans may average $3 a bushel—top price since 1947/48. Prices are apt to stay up and be influenced by later 1972 seasonal prospects.

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COTTON CLIMB . . . Upland cotton growers, happy about the high prices they've been getting in 1971/72, said January 1 they plan to plant 7% more this spring than last. If they do and yields are average, 1972 output should top last year's small 10.3-million-bale (running) crop by at least a tenth . . . guaranteeing enough cotton for domestic and export needs next year with maybe some left to add to reserve supplies.

COTTON DISAPPEARANCE is pegged at some 11 million bales for 1971/72, a ¾-million-bale dip from last year entirely because of an anticipated drop in exports. Domestic use, buoyed by the strong market for denim and corduroy, may match last year's 8.1 million bales. With disappearance running ahead of 1971 output, the outlook for carryover next August is well under the 4¼ million bales at the close of 1970/71.

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WINTER VEGETABLE PATCH . . . Reduced crops of lettuce and celery caused a 1% dropoff in winter vegetables. Prospects are for a third more Florida tomatoes and slightly more carrots than a year earlier with cabbage at last year's level. January-February prices were seasonally high though a bit below the record of last November.

STATISTICAL BAROMETER

Item	1970	1971	Latest data available	
Prices received by farmers (1967=100)	110	112	122	Feb. 1972
Prices paid, interest, taxes, wage rates (1967=100)	114	120	124	Feb. 1972
Ratio (1967=100) [1]	96	94	98	Feb. 1972
Livestock and poultry on farms				
Meat animals (1967=100)	102	106	107	Jan. 1972
Milk cattle (1967=100)	92	91	90	Jan. 1972
Poultry (1967=100)	98	100	100	Jan. 1972
Consumer price index:				
All items (1967=100)	116	121	123	Jan. 1972
Food (1967=100)	115	118	120	Jan. 1972
Disposable personal income ($bil.)	687.8	741.2	741.2	[3]
Expenditures for food ($bil.)	114.0	118.4	118.4	[3]
Share of income spent for food (percent)	16.6	16.0	16.0	[3]
Farm food market basket: [2]				
Retail cost ($)	1,223	1,244	1,268	Dec. 1971
Farm value ($)	476	477	491	Dec. 1971
Farmer's share of retail cost (percent)	39	38	39	Dec. 1971
Agricultural exports ($bil.)	7.2	7.7	.8	Jan. 1972
Agricultural imports ($bil.)	5.7	5.8	.6	Jan. 1972
Realized gross farm income ($bil.)	56.6	58.6	58.6	[3]
Production expenses ($bil.)	40.9	42.9	42.9	[3]
Realized net farm income ($bil.)	15.7	15.7	15.7	[3]

[1] Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wage rates.
[2] Average annual quantities per family and single person households bought by wage and clerical workers 1960–61 based on Bureau of Labor Statistics figures.
[3] Annual rate, seasonally adjusted fourth quarter 1971.

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COUNT ON LIVESTOCK

SRS livestock and poultry inventories shed a light on things to come in 1972:

—A smaller supply of hogs and pigs means fewer in the marketplace till at least the middle of the year.

—The larger beef herd means continued expansion in cattle feeding.

—The decrease of only 1 percent in the laying flock probably will cause little change in egg production in the first half of 1972.

The December inventory of hogs and pigs on farms showed 63 million head. The numbers were down 7 percent from about a year earlier.

The two big indicators of things to come—December pig chop and number of sows farrowed—also decreased. The pig crop slipped 8 percent from the previous year and sows farrowed dropped 9 percent.

There are few surprises in the cattle story according to the inventory of January 1: Beef cattle numbers continued to increase; dairy numbers decreased.

Note the recent trend in the number of beef cows and heifers that have calved. During 1969 they rose by roughly 1.2 million head and in 1970 the total was up another 1.1 million. During 1971 the beef cow herd grew by about 1.2 million or 2 percent.

Both the number of cattle on feed and the supply of young cattle that can be placed on feed this year are significantly higher than in 1971. The extra-large corn supply could also spur the industry.

There were 13.8 million cattle—8 percent more than a year earlier—on feed January 1 in the 39 States which produce 96 percent of the fed cattle.

Contrasting with beef cows, the dairy herd declined for the 18th straight year in 1971 and the current inventory found 16.2 million milk cows and milk replacement heifers on farms January 1, 1 percent under a year ago.

Sheep and lamb numbers continued the downtrend of the last decade. Currently at 18.5 million, the inventory is 6 percent below a year earlier. Sheep numbers are the lowest since USDA's count began in 1867.

The number of chickens—excluding commercial broilers—on hand December 1 totaled 435.5 million, down 1 percent from a year earlier. Also, the number of hens and pullets of laying age fell 1 percent.

The December 1 turkey count showed 3.4 million breeder hens on farms. Growers intend to raise 1 percent more turkeys in 1972.

AGRICULTURAL SITUATION

APRIL 1972 Vol. 56, No. 3

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The Agricultural Situation is a monthly publication of the Statistical Reporting Service, United States Department of Agriculture, Washington, D.C. 20250. The printing of this publication has been approved by the Bureau of the Budget (January 2, 1969). Single copy 10 cents, subscription price $1 a year, foreign $1.50, payable in check or money order to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

U.S. GOVERNMENT PRINTING OFFICE: 1971 O—447-837

UNITED STATES
DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE
WASHINGTON, D.C. 20250

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